GOVERNMENT OF INDIA
TEXTILES
LOK SABHA

UNSTARRED QUESTION NO:2134
ANSWERED ON:24.07.2014
CLOSURE OF SPINNING MILLS
Mishra Shri Bhairon Prasad

Will the Minister of TEXTILES be pleased to state:

(a) whether some spinning mills have been closed in Uttar Pradesh;

(b) if so, the details thereof;

(c) whether the Government has conducted any enquiry to ascertain the reasons for the closure of such mills;

(d) if so, the details thereof and the follow-up action taken thereon; and

(e) the steps taken/being taken by the Government to revive such mills?

Answer

MINISTER OF STATE (INDEPENDENT CHARGE) IN THE MINISTRY OF TEXTILES (SHRI SANTOSH KUMAR GANGWAR)

(a) & (b): Yes, Madam. As per available information, 41 cotton/man-made fibre textile spinning mills (Non-SSI) were lying closed in Uttar Pradesh as on 31.05.2014. The details are given in Annexure-I.

(c) & (d): As per the report received from Regional office of the Textile Commissioner, the main reason for closure of mills is financial problem. 34 mills closed due to financial problem, 5 mills due to strike/labour problem and 2 mills reported lock-outs.

(e): Government has set up Board for Industrial & Financial reconstruction (BIFR) under Sick Industrial Companies (Special Provisions) Act with a view to arranging the timely detection of sick and potentially sick companies and for the speedy determination of preventive, ameliorative and remedial measures which need to be taken in respect of such companies including closed mills. The status of the cases registered with BIFR are being decided by BIFR on the basis of its finding and it also decides the reliefs / concessions etc. to be given to units / companies as revival packages. Out of 41 closed mills as on 31.05.2014, 10 spinning mills were registered with BIFR as on 31.12.2012.

To provide interim relief to Textile workers rendered un-employed as a consequence of permanent closure of a particular portion or entire textile units, in the private non-SSI Sector, the Textile Workers Rehabilitation Fund Scheme (TWRFS) was introduced and is in operation with effect from 15.9.1986